

1 CAUSE NO. 97-00933-I  
2

3 TRACY NEFF \* IN THE DISTRICT COURT  
4 VS. \* DALLAS COUNTY, TEXAS  
5 LANDMARK EDUCATION \*  
6 CORPORATION AND DAVID \*  
GRILL, AN INDIVIDUAL \* 162ND JUDICIAL DISTRICT  
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9  
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12 VIDEOTAPED  
13 ORAL DEPOSITION OF  
14 ARTHUR H. SCHREIBER  
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ANSWERS AND DEPOSITION of ARTHUR H. SCHREIBER,  
a witness produced on behalf of the Plaintiff,  
taken in the above styled and numbered cause on the  
23rd day of October, 1998, before Kay D. Gallivan,  
a Certified Shorthand Reporter in and for the State  
of Texas, taken in the offices of Gwinn & Roby,  
4100 Renaissance Tower, 1201 Elm Street, City of  
Dallas, County of Dallas, State of Texas, pursuant  
to the Texas Rules of Civil Procedure.

**COPY**

KAY D. GALLIVAN & ASSOCIATES (214) 827-1385

1                   A T T O R N E Y S   O F   R E C O R D  
2

## 3                   A P P E A R A N C E S :

4                   MR. KIMBERLY A. STOVALL and  
5                   MR. JAY C. ENGLISH  
6                   KIMBERLY A. STOVALL & ASSOCIATES  
7                   NORTH CENTRAL PLAZA THREE  
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20                  LANDMARK EDUCATION CORPORATION

21                  A L S O   P R E S E N T :   M R .   S T E V E N   Z A P I L E R  
22                  A T T O R N E Y   A T   L A W

23                  M R .   F L O Y D   C .   R O B E R T S O N ,   V I D E O G R A P H E R  
24                  C E R T I F I E D   L E G A L   T E X A S   V I D E O  
25                  P H O N E :   ( 9 7 2 )   3 0 4 - 0 2 9 1

## 26                  N O N A P P E A R A N C E S :

27                  M R .   G E O R G E   R .   M I L N E R ,   I I I  
28                  M I L N E R ,   L O B E L ,   G O R A N S O N ,   S O R R E L S ,  
29                  U D A S H E N & W E L L S  
30                  2515 MCKINNEY AVENUE  
31                  S U I T E   1 5 0 0  
32                  D A L L A S ,   T E X A S   7 5 2 0 1  
33                  P H O N E :   ( 2 1 4 )   6 5 1 - 1 1 2 1  
34                  C O U N S E L   F O R   T H E   D E F E N D A N T ,  
35                  D A V I D   G R I L L

36                  K A Y   D .   G A L L I V A N   &   A S S O C I A T E S   ( 2 1 4 )   8 2 7 - 1 3 8 5

1 the EST program from June of '81 to December of '84  
2 and then delivered The Forum and other programs  
3 related to The Forum from January 1985 until --  
4 from -- sorry -- from January 1985 until January of  
5 1991. They're programs that essentially have  
6 people -- allow people to be more effective in  
7 their lives but from a very different place. So in  
8 the answer to your question about Werner Erhard &  
9 Associates, yes, they -- they offered programs that  
10 had people be more effective, but they offered two  
11 very different types of programs.

12 Q. How are they so different?

13 A. The whole thrust and philosophy of the  
14 EST training and related programs is very different  
15 than the -- The Forum and the programs relating to  
16 The Forum.

17 Q. How so?

18 A. Well, one could say -- first of all, The  
19 Forum -- in language you would understand, The  
20 Forum is more like a -- an inquiry that would be  
21 conducted in law school except it's not about  
22 contracts and trusts and estates. It's about  
23 issues that are of -- that are of concern to people  
24 in life, like what it -- what does it mean to be  
25 responsible. And one would conduct an inquiry in

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1 program that was about altering my ability to  
2 experience, I come out in one direction. If I do a  
3 three day and one evening program that's not about  
4 my experience at all, that we're not even  
5 interested in how you experience life, but we're  
6 interested in have you seeing that there are  
7 certain areas in your life where you can create new  
8 possibilities for yourself that didn't otherwise  
9 exist, I come out through a very different door.

10 Now, when I'm -- when the two of those  
11 people are outside and you ask what kind of  
12 umbrella would I put over them, I say loosely  
13 they're programs to have people be more effective;  
14 but they're going down very different tunnels.

15 Q. What is The Forum?

16 A. The Forum is our basic educational  
17 program.

18 Q. What is the purpose of The Forum?

19 A. The purpose of The Forum is to -- there  
20 are a number of -- I mean, there isn't like a  
21 stated purpose, but the purpose of The Forum is to  
22 have people who are healthy and successful and well  
23 have opportunities for themselves to -- to see and  
24 create for themselves new possibilities for action  
25 in any or all parts of their lives that they might

1 speak with the center manager to get information?

2 A. Sure. There's nothing -- I mean, I'm  
3 only saying the registrar because that's the person  
4 in whose job responsibility this would fall. But  
5 if he's on vacation for two weeks, they wouldn't  
6 just leave a message so --

7 Q. All right. You mentioned that -- that  
8 there is a new Forum Information Form and one of  
9 the changes to it is that there is an arbitration  
10 agreement.

11 A. Uh-huh.

12 Q. Does -- who does the arbitrations under  
13 that agreement?

14 A. The office of the American Arbitration  
15 Association in the city in which The Forum is being  
16 delivered.

17 Q. Have any arbitrations been performed  
18 pursuant to the arbitration agreement since the  
19 form was revised?

20 A. No.

21 Q. You mentioned that there was Dr. Edward  
22 Lowell --

23 A. Uh-huh.

24 Q. -- who has served as a mental health  
25 advisor --

1           A. Uh-huh.

2           Q. -- to Landmark Education Corporation.

3           A. Unpaid advisor, that's correct.

4           Q. All right. Are there any other paid or  
5           unpaid mental health professionals that have served  
6           as advisors to Landmark Education Corporation?

7           A. There have never been any paid advisors,  
8           and there have been unpaid advisors; and over the  
9           years, the names I don't recall. Doctor Lowell I  
10          definitely know about.

11          Q. Why is it that Landmark Education  
12          Corporation has determined based on advice from  
13          mental health professionals that persons who answer  
14          "yes" to the questions on that form should not  
15          participate in The Forum?

16          A. I can tell you exactly why. As we tell  
17          people in this -- right in their application  
18          form -- and I'm reading from the form. "The  
19          Landmark Forum is intended for people who are  
20          well. In the program you will address such  
21          questions as, 'What does it mean to be human' and  
22          'what is the possibility of being for human  
23          beings.' Although most people find these matters  
24          engaging, challenging, and rewarding, some may find  
25          thinking about such matters difficult and

1       unsettling. As with any serious undertaking in  
2       life, you should take the time to determine whether  
3       or not you are physically, mentally and emotionally  
4       prepared to engage in these kinds of questions.

5       The program is not therapeutic in design,  
6       intent or methodology and is not a substitute for  
7       psychotherapy or for a drug or alcohol treatment  
8       program. Because some people may, contrary to our  
9       specific instructions, take the program as a way of  
10      dealing with issues that are properly addressed by  
11      trained mental health professionals, we advise you  
12      that The Forum leaders are not trained mental  
13      health professionals; that no trained mental health  
14      professionals will be in attendance at The Forum;  
15      and that The Forum will not address issues that are  
16      best dealt with in therapy."

17       I couldn't say it any better to answer  
18       your question.

19       MS. STOVALL: I'll object as  
20       nonresponsive.

21       Q. (By Ms. Stovall) And maybe I didn't ask  
22       the question. Let me try it again. What is it  
23       about The Forum, the activities that occur in The  
24       Forum --

25       A. Uh-huh.

1           Q. -- and 1 million shares of preferred  
2 stock authorized.

3           A. Uh-huh.

4           Q. How many stockholders own the 10,000  
5 shares of common stock?

6           A. I don't know where you got -- it says 10  
7 million.

8           Q. I mean -- I'm sorry. How many  
9 stockholders own the 10 million shares of common  
10 stock?

11          A. Okay. But just to clarify, this is  
12 shares authorized. It doesn't mean outstanding.  
13 Of the 10 million that are authorized,  
14 approximately 780,000 shares are outstanding; and  
15 that's held currently by employees around the world  
16 numbering approximately 275 to 300.

17          Q. And of the 1 million shares of preferred  
18 stock authorized, how many are issued?

19          A. None.

20          Q. What is the difference between common  
21 stock and preferred stock?

22          A. Common stock typically is stock that is  
23 entitled to vote and participate in the ownership  
24 of the company. Preferred stock, depending on the  
25 types of preferences that are provided, have